

## Message Text

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20

ACTION EA-14

INFO OCT-01 ISO-00 NEA-14 CIAE-00 DODE-00 PM-07 H-03

INR-11 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 USIA-15 FEA-02 AEC-11 AID-20 CEA-02 CIEP-02

COME-00 EB-11 FPC-01 INT-08 OMB-01 SAM-01 SCI-06

STR-08 TRSE-00 FRB-03 DRC-01 /181 W

----- 118021

R 150756Z JUL 74

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 3335

INFO AMEMBASSY TOKYO

C O N F I D E N T I A L JAKARTA 8675

EO 11652: GDS

TAGS: ENRG JA ID

SUBJ: ENERGY:INDONESIAN LNG

REF: A. STATE 148249 B. JAKARTA 8133

1. DURING LONG DISTANCE TELECON JULY 13, PACIFIC LIGHTING (PL) REP O'ROURKE TOLD EMBOFF THAT TODD'S MEETING PREVIOUSLY SCHEDULED WITH PERTAMINA'S TIRTO UTOMO JULY 20-24 IN HONOLULU (REF TELA) HAS BEEN POSTPONED BY PERTAMINA BECAUSE PL IS STILL NOT IN POSITION TALK ABOUT MORE THAN \$1.10 TO \$1.20 PER MILLION BTU LNG PRICE. O'ROURKE SAID TIRTO IN TELECON MENTIONED THAT PRESENT FOB PRICE OF LNG TO JAPANESE, WITH RECENT INDONESIAN OIL PRICE INCREASE, WAS \$1.96 PER MILLION BTU WHICH, DEDUCTING 30-35 CENTS FOR WEST COAST SALE, PUT PRICE TO PL IN \$1.60 RANGE. O'ROURKE CLOSED CONVERSATION WITH EMBOFF SAYING PL WAS "SITTING BACK WITH CONTRACT APPARENTLY IN THE REFRIGERATOR."

2. ON JULY 4 WIJARSO (GOI DIRECTOR FOR OIL AND GAS) TOLD EMBOFF THAT, SINCE PL WAS NOT PREPARED TO ACCEPT  
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GOI PRICE (30 CENTS BELOW PRICE TO JAPANESE),

GOI UNCERTAIN WHETHER UNILATERALLY TERMINATE PL  
CONTRACT NOW OR LET IT EXPIRE NATURALLY SEPT 1975  
IN ACCORDANCE ARTICLE 19 OF CONTRACT (REFTEL B).  
CHARACTERIZING PRESENT SITUATION AS  
"UNFORTUNATE," WIJARSO ARGUED THAT TO AGREE TO  
CONTRACT WITH PL WITH MORE THAN 30 CENTS PRICE SPREAD  
WOULD BE SHORTSIGHTED AND IN THE LONGER TERM, POTENTIALLY  
VERY HARMFUL TO GOI-USG RELATIONS. HE SAID HE WISHED  
TO AVOID POSSIBILITY OF AGREEING TO MODIFIED CONTRACT  
THAT, BECUASE OF DOMESTIC POLITICS, WOULD HAVE TO BE  
BROKEN BEFORE FIRST LNG SHIPMENT MADE IN 1978.  
NEWSOM

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATURAL GAS, SALES, CONTRACTS, PRICES, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 JUL 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974JAKART08675  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740188-0703  
**From:** JAKARTA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 73  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
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**Review Comment:** n/a  
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**Review Event:**  
**Review Exemptions:** n/a  
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EO Systematic Review  
30 JUN 2005

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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ENERGY:INDONESIAN LNG  
**TAGS:** ENRG, JA, ID, PACIFIC LIGHTING  
**To:** STATE  
**Type:** TE  
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